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SENSITIVE
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DEPT FOR DRL/ILCSR
DOL FOR CROMERO, PCHURCH, LBUFFO

E.O. 12958: N/A
TAGS: [ECON](#) [SOCI](#) [ELAB](#) [ENRG](#) [PGOV](#) [GT](#)
SUBJECT: TRANSPORTATION CRISIS LOOMS FOR COLOM
ADMINISTRATION

¶1. (U) Transportation problems are looming for the Colom Administration as a 15-day "State of Prevention" draws to a close May 21. On May 7, President Colom declared a nationwide "State of Prevention," which suspended all strikes and protests, to restore order after truck drivers demonstrated in front of City Hall and blocked highways in protest over a 2001 municipal ban on heavy trucks entering the capital during morning and evening rush hour. The three-day protest, which ended May 7, left the capital without gasoline deliveries for 48 hours.

¶2. (U) Adding to the protest of truck drivers, urban bus companies gave the GOG until May 30 to satisfy their demands to offset the increase in the cost of diesel and other operational costs. Warning that they cannot continue operating without an increase in the bus fare or a decrease in the price of diesel, they proposed three options: increase the bus fare four-fold (from Q1 to Q4.25); lower the cost of diesel; or keep the government subsidy at Q22.6 million (USD 3 million) while fixing the bus fare at Q3. (Note: Three months ago, the GOG nearly doubled its monthly subsidy from Q12 million (USD 1.6 million) to Q22.6 million (USD 3 million). End note.) The bus companies warned that if their demands are not met by May 30, they will leave the administration of public transport to the government.

¶3. (SBU) During a May 19 meeting with poloffs, Victoriano Zacarias, Secretary General of the Union of Transport Drivers of Guatemala (SPASG), an affiliate of the General Workers Confederation of Guatemala (CGTG), warned that when the "State of Prevention" expires on May 21, union members will strike again until there is a resolution. He said that the truck drivers view the situation as having "lost the battle, but not the war," and that they have been using the past two weeks to re-group. Zacarias insisted that the "State of Prevention" is not a remedy and urged the President to listen to their demands, respect their rights, and come up with a viable solution.

¶4. (SBU) Comment: The government announced that there are no plans to extend the "State of Prevention" when it expires on May 21. In the coming days or weeks, truck drivers may strike again, plunging the country into gridlock. Further complicating the situation is the demand by bus companies to increase rates four-fold. Transportation rate hikes in the past have led to violent demonstrations. The alternative to raising bus fares is to increase the government subsidy on fuel, a budget-busting proposition to which the Colom Administration has not agreed.
Derham